

REGULAR SESSION
of the Daviess County Fiscal Court
held at the Mount Saint Joseph Retreat and Conference Center,
County of Daviess, Commonwealth of Kentucky
on this 6th day of September 2012
Present were Judge/Executive Al Mattingly and
County Commissioners Jim Lambert,
George Wathen and Charlie Castlen

DOCUMENTS RELATED TO TODAY'S DISCUSSION
ARE FILED IN SEPTEMBER 6, 2012 FISCAL COURT FILE

Commissioner Castlen opened the meeting in prayer and led the court in the Pledge of Allegiance to the flag.

Judge Mattingly proclaimed September 2012 as National Recovery Month. Lynda Welch of Owensboro Regional Recovery accepted the proclamation and thanked the court for their support.

Judge Mattingly proclaimed October 12, 2012 as Ursuline Sisters of Mount Saint Joseph day. Sister Julia Head thanked the court for the recognition.

Jerry Fisher, Chair of the Daviess County Drainage Advisory Commission discussed the Daviess County Storm Water Master Plan.

Mr. Fisher stated, "On behalf of the county, the DC Drainage Advisory Commission has been working to put together a drainage master plan. It is going to include several waterways that we have on the maintenance plan. To start the first phase, we need to have some goals established. The main purpose that we are wanting in this storm water plan is to try to reduce the flooding. Hopefully, with the goals set before you tonight, it will help to reduce the flooding throughout the county." Mr. Fisher read the following proposed goals for a master plan:

Daviess County Drainage Advisory Board

Purpose for the Storm Water Master Plan for Daviess County: To effectively reduce the impact to public safety and property of rain events and flooding within the major waterways of Daviess County by **developing a plan that** will be used as a practical guide for storm water management.

Goals for the Storm Water Master Plan for Daviess County: Phase I

1. Reduce area of floodplain (flooded acres) by 50% during a 100-year event in primary ditches from the maintenance plan.
2. Reduce the flooded area by 50% during a 50-year event in primary ditches from the maintenance plan.
3. Reduce the flooded area by 50% during a 25-year event in primary ditches from the maintenance plan.
4. Reduce the flooded area by 50% during a 10-year event in primary ditches from the maintenance plan.
5. Reduce the flooded area by 50% during a 2-year event in primary ditches from the maintenance plan.
6. Reduce the flooded area by 25% during a 2-year event in primary ditches from the maintenance plan.
7. Reduce the number of roads and highways being flooded in the county during a 50-year rain event.
8. Reduce the number of roads and highways being flooded in the county during a 25-year rain event.

Criteria or results to be established from Master Plan:

- Combine/itemize watersheds individually based on needs or areas.

- Keep water in banks during certain rainfall events.
- Reduce the frequency of and duration of flooding areas during rain events to protect property and businesses from severe damage during major rain events.
- Keep water off roads during rainfall events for emergency vehicles, school buses, etc.
- Provide hydrologic analyses of the primary waterways in Daviess County.
- Develop a prioritized list of storm water improvements.
- Establish an expected level of protection.
- Make use of existing data wherever feasible.
- Land use in each watershed versus flooding areas.

Other Phase II Questions:

- DOW and CORP regulations
- Basin and levee effectiveness
- Cost to benefit ratio with backwater or tail water

Mr. Fisher stated, "The first phase of this is to recommend these goals for request for qualifications. That is the first step, to get the goals approved to move ahead with this storm water master plan."

Commissioner Lambert asked, "Jerry, when you say flooding, you are talking about a ditch or creek being out of its banks – what are you talking about?"

Mr. Fisher stated, "When a firm goes in to try to come up with a plan for any of these goals, they will establish a model, shoot elevations, check roads, bridges, and culverts – anything that might need attention to help these rain events. Most likely it could be inside the banks or out of the banks, just depending on the rain event."

Judge Mattingly stated, "I think what you are talking about is head water as opposed to back water. This is trying to take our drainage and watersheds and make them more efficient in moving water and containing water so that we have less damage to property. I think what you are looking at is asking the firm who would do this study to look at several different layers, and it may be that we cannot afford a... I think the city looked at a 100-year, 50-year, 25-year event, and what they ended up with was a 25-year event. That may be what we end up doing as well. Until we know the cost involved in the events, what we may have to do to achieve that kind of protection, and that is where we are going to have to do a request for quotes from engineering firms – to lay things out."

Commissioner Wathen stated, "Whenever you look at this, and you talk about these goals one of the things you have to remember is the biggest expense is for a company to come in and do the survey and establish a model. Once you get the model, you can decide which one of these goals is the most important. We may find out for us to reduce 50% of a 50-year rain event is \$100 million, and we would have to look at another goal. Nevertheless, the most important thing is for them to build the model. Then we can see the opportunities for us to change the way the water flows, maybe. Now, we are just maintaining what we have. There might be other opportunities for us to decrease flooding, and the model will hopefully do that."

Mr. Fisher said, "George is talking about the models, and out of the 12 primary ditches that we have on the maintenance plan, I think we already have 7 potential models that are already established through the city's storm water master plan."

Judge Mattingly stated, "We will take this presentation and may end up having a work session to decide where we will go and what we want to do."

The court received into record the 2012 Daviess County Public Health tax rate. The prior year's 3.5% rate did not change.

Treasurer Jim Hendrix presented the Treasurer's Report for the month ended July 31, 2012.

Minutes of the August 16 and 27, 2012 meetings were submitted to fiscal court members for review prior to today's meeting and on a motion of Commissioner Castlen, seconded by Commissioner Lambert with all the Court concurring said Minutes were approved and signed.

By a motion of Commissioner Wathen, seconded by Commissioner Castlen, the court considered approval of all Claims for all Departments.

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Castlen, seconded by Commissioner Wathen, the court considered approval of the Fund Transfer from the General Fund to the Bond Fund (WKU).

Jim Hendrix stated, "This is a \$610,000 transfer, and is a budgeted item."

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Castlen, seconded by Commissioner Lambert, the court considered approval of the Daviess County Sheriff's 2011 County Tax Settlement.

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Wathen, seconded by Commissioner Castlen, the court considered approval of the Update and Approval of Employees Health Related Renewal Agreements and to Authorize the Judge/Executive and County Treasurer to sign any and all Documents Necessary to Place the Insurance Coverage by 11/1/12.

Jim Hendrix stated, "Annually we have agreements that renew our health related benefits for the New Year. This year we enlisted the help of Greg Carlton, Senior Vice-President of Peel and Holland."

Mr. Carlton stated, "I am here to report on the findings of the first phase, which is complete. Before I do that, I will tell you, as I always recommend, the phases for this are a longer term commitment because you will certainly see the fruits of this first phase. However, what happens when you are dealing with health care and other related risks in an organization, those engagements, and getting employees involved, and changing the culture of the workforce, takes longer than 2-3 months. This is the first step. We did a discovery initially where we undertook a fact-finding mission – where are we today, what is creating the issues, what is costing the organization. Phase II was to go through and do a re-design of the programs with the goal of maintaining or improving overall care for employees and their family members. We looked at things like plan utilization, cost, and contracts for providers as well as relative discounts, and drug utilization as a whole, and we did all of this in a way where it was protected under privacy so we were not invading anyone's privacy. We also created a professional request for proposal that went out to 21 different firms – national and regional firms, 19 of which responded to the request for proposal, and then we used that discovery analysis to create an attractive positioning statement, which says this is where we know we are, we know the opportunities and challenges that lie ahead, and we know that by working together we can improve this overall plan and costs. The outcome is that we are at a place that we recognize a guaranteed savings, based on

the current people that you have in your plan, of just under \$130,000 per year. So beginning November 1, assuming we do not add or take away employees, we are targeting approximately \$129,000 to \$130,000 of guaranteed savings. The variable in this is that we do not know how many claims they will have; we do not know how large the claims will be that the employees and their families have. However, what we do know is that 2-years ago, your average savings rate, as an example, was about 33% from the bill charge. Therefore, when you got a bill from a hospital, doctor, or lab, you were averaging about 33% of a discount. This past year, you averaged about 26%, so the discounts have dropped on average. In the new program that we have designed, we have a guarantee, in writing, contract from Anthem Blue Cross, using their blue card program, that is a guarantee of 46% and they are putting an at-risk proposal which says if they do not get you that they will owe you some money back at the end of the period – 10% of their administrative cost. Compared to this year, what I do know is that we are going to save somewhere around 20% off the average bill charge. Again, I do not know what that average bill charge will be. The more bill charges you have, the more you will save. The less bill charges you have, the less you will save in dollars, but it is still around 20% savings on average. We will be tracking this throughout this next year, and we will be reporting to the court. We will be coming to you at the 6-month period, and give you a written update and a presentation of where we felt like we would be and where we are. Phase III is an educational phase. It says let's get in front of the members and talk about the programs. One of the changes we have already been able to make is to negotiate life insurance rates that are much less expensive and better coverage. This will extend a larger benefit to the jail employees. We have also been able to secure, with your existing dental provider, a two-year rate guarantee that is less expensive than what you were already paying. By pooling your business with KACo members, you are getting pricing discounts and other concessions. The implementation, once everyone is enrolled, we will start the process of educating throughout the year. One of the big education points – where is care available, what does it cost, how to use this program efficiently, which is going to be a big undertaking for the next year. Then we start down the path of helping employees and their families to become better consumers of health overall. Overall, when you add up all of the different plans on page 4 of this presentation, we have a financial summary of recommendations. Health care, we have negotiated with Anthem what is called an Administrative Only Contract. This is similar to what you have now, it has a \$100,000 deductible – you have \$75,000 today. The reason for the higher deductible is that it saves money and with that additional savings that we are getting, it will feel like the \$75,000 that you have now. The dental program will not change however, we were able to negotiate a deeper discount on your current program, and extend the rates for an addition guaranteed 2-years. Life insurance, we are suggesting that you move that business to Lincoln Financial Group for the best overall price. E-flex, which replaces the flexible spending account that you have now. This is where employees can put some dollars for pre-tax purposes if they have deductibles, co-pays, that sort of thing. That is also where we take care of employees that get waiver money. If they do not need to be on the county's plan, they can get \$1,200 per year when they do not take your plan. Vision is a new benefit that we were able to negotiate, it is completely paid for by the employees, and it is voluntary. When you add up the medical, dental, and the life insurance, again based on the current year's claims, we believe the cost savings overall will be around \$514,000. To recap, you have a guaranteed savings of just under \$130,000. We believe your actual savings you will see next year will be somewhere between \$450,000 and \$515,000."

Commissioner Castlen stated, "It has been a pleasure working with Greg. I met with a number of individuals along with Mr. Hendrix before we decided on a contract. I will say that Mr. Carlton stood above the rest as far as his proposal and approach. I really believe that we have made a good decision."

Commissioner Lambert stated, "Greg, I think I heard you say that the plan, the coverage, for the employee will be as good or better than what we have now, correct?"

Mr. Carlton said, "Yes, that is correct."

Judge/Executive asked if Peel and Holland will be providing any of the mentioned services.

Mr. Carlton stated, "We will be providing enrollment services, on-site follow-ups and stewardship, call services, but we will not be writing any of the insurances. The insurance will be placed with the carriers. We will be acting as an advisor to the county for that."

Mr. Hendrix supports this agreement and recommends approval.

Larry Boswell asked, "Whenever you change insurance carriers the problem you will run into is that you do not find out there is a problem until you go to your doctor and find out they do not accept this particular insurance. How do you deal with that or how does the employee know in advance whether their doctor will accept your program?"

Mr. Carlton stated, "Prior to the process we originally went through, where we took the data in, we were able to get data that includes doctors, hospitals, and labs, and we use that to do a disruption analysis, which says this is how we going to see these days already. We looked at that data and cross matched that against the providers that are in network with these different firms. When we went through and looked at Blue Cross, Humana, and the other firms, we said let's make sure and minimize that disruption. We did not see any significant disruption in the Blue Card network. In fact, we found more providers than the members have today overall. I think there are generally contracts outstanding with providers at any given time as they do not all renew at the same time. We have also preformed a disruption analysis on pharmacies and drugs, as well."

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Wathen, seconded by Commissioner Castlen, the court considered approval of the Agreement and Resolution No. 13-2012 utilizing Rural Secondary Program Funds.

Mark Brasher stated, "If you recall, the Kentucky Transportation Cabinet came to the court this past spring and presented a listing of state routes that they would be re-paving with rural secondary funds. At that time, they indicated that there would be approximately \$340,000 for flex funding. That is where the court can choose to use that money to resurface county rural secondary roads. At the beginning of this fiscal year, I presented to the court a listing of roads that we intended to pave this fiscal year. That \$340,000 that the highway department informed us of was used in determining which roads that funding for that list that was given to fiscal court. They have sent us this agreement and resolution for that \$340,000."

Judge Mattingly stated, "Back in the spring, when they visited us they had a listing of state highways that they wanted us to approve. They also had some flex funds, which totaled \$340,000, and we could choose to pave the listing of roads as presented or we could use those dollars for rural secondary roads. We chose to do that and this is the list that you are presenting today."

Mr. Brasher read into record the listing of road to be re-paved:

- 2.97 miles on Masonville Habit Road
- 0.738 miles on Ronny Lake Road
- 0.343 miles on Riverside Drive
- 0.25 miles on Red Bud Road
- 0.128 miles on Willow Way
- 0.422 miles on Eastwood Drive
- 0.11 miles on Hillcrest Drive

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Wathen, seconded by Commissioner Lambert, the court considered approval of the 2013-2017 Solid Waste Management Plan update and Resolution No. 14-2012.

David Smith stated, "This is a five-year update of our Solid Waste Management Plan. In 1991, in special session, the state of Kentucky enacted new solid waste rules, and part of that was a requirement that all counties come up with five-year plans starting in 1992. This is our fifth update. It is a standard state form that is filled out, and it covers how we handle solid waste."

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Castlen, seconded by Commissioner Wathen, the court considered approval of the Priority Resolution No. 15-2012 for House Bill 265 Coal Severance Line-Item Projects.

Mr. Hendrix stated, "We get a couple of different types of coal severance money. One is LGEA and the other is LGED. This is the LGED. They are handled separately. This resolution is an administrative task that we are being asked to approve by DLG. All it obligates the court to is that you will, if you spend any money, spend it in this priority or this order. If we had 30 projects it would make more sense. Passing this resolution does not obligate the court to anything in any way what so ever. Nor does it obligate the state to anything. It does not mean that we get the money. It does not mean you will spend the money on any particular item. It does not obligate the court to anything other than if you take further action in the future this is the order that they will know when they receive the request that it is being administered as to the wishes of the court. That is all it is for – setting a priority."

Commissioner Castlen stated, "I know one of the things that there has been some confusion about is that this line-item 2 for the 2012-2013 fiscal year – Owensboro Museum of Fine Art for \$195,000 was the money that the Senator put in the state budget.

Judge Mattingly stated, "That is correct. Under House Bill 265, which listed the budget house bill. There was a line-item put in there by Senator Bowen of \$195,000 funding for the art museum."

Commissioner Castlen stated, "I seem to remember a conversation that you and I had before that happened. I know that some communities have a standard practice that senators and legislators put line-items in the budget to essentially direct how the money is going to be spent. I think we had already talked that our plan would hopefully be to do the waterlines."

Judge Mattingly stated, "If you recall, the court visited Frankfort back in 2011, and we talked to Senator Bowen, Representative Thompson, and Representative Glenn during the session and we talked about our priority which was to get water to those without potable water. Representative Thompson informed us that we were going to have approximately \$150,000 available from coal severance dollars in 2012-2013 and approximately \$180,000 in 2013-2014. We looked at that and per our request, Representative Thompson put those into the budget as economic development. I had a conversation with Senator Bowen – we were talking about specifically designating those two years worth of funds for water projects. I told Senator Bowen that I needed to have the flexibility to do economic development projects because we may need the money. He talked in terms of finding some money for the art museum, and I said that I did not have a problem funding the art museum as long as the money would not otherwise come to Daviess County Fiscal Court. I think I had a conversation with you regarding that. Subsequently, I had a call from Senator Bowen and he said that he had found roughly \$195,000 and asked if we would act as the agency pass through. I said that we would, only if it is money that we would not otherwise get. When he found the \$195,000, we were trying to figure it out because at that time, we had \$154,000 in our account that we were holding – we were going to put that

towards water projects. It turns out that through some snafu, Senator Bowen was given some erroneous information that this was money that was available. In effect, it was available because it had not been or gone through the process that we are going through today. It was in our account, but we had not designated a specific use for it. What we are doing here is prioritizing the waterline project as first priority and the museum of fine art as second. We will use funds to pay for that first part. We do not really know what it will be, but all we can recoup will be the \$160,000. Even though we are not going to get \$160,000 because we designated it, and it is in the budget. That is what we can recoup. The way we will do that will be to take the \$107,000 plus about \$53,000 out of the \$187,000. Next year, we will do that same thing to cover the \$180,000 and at the end of the biennium, we may have \$61,000 remaining. Since that money was already in the account, it is not over and above what we already had or would have had. The art museum will not get that money, but in order for us to proceed, we had to prioritize. At the end of this fiscal year, we will re-prioritize."

Commissioner Wathen stated, "Joe Bowen was given bad information. Next year, let's just say that there is money available and we will also use that for water projects next year. We will re-prioritize next year. Is that correct?"

Judge Mattingly stated, "After we have spent \$160,000 that we just prioritized here, whatever is left in the account we would re-prioritize for fiscal year 2013-2014."

Commissioner Wathen asked, "Let's say that there is \$50,000 in next year's account. We could put the \$50,000 first, and will we have to do the museum of fine art?"

Judge Mattingly replied, "No, well, I mean yes if they are still there and the reason we would have to do that is it is a line-item in the state budget. As long as it is still there, it is going to be in this priority list. It will expire at the end of the 2013-2014 fiscal year. The new biennium will bring a new budget at which time there will be a new list."

Commissioner Lambert stated, "If I saw this resolution, I would assume that the Owensboro Museum of Fine Arts is going to get a contribution. You have explained that, but have you spoken about this situation with the museum?"

Judge Mattingly said they are aware.

Former County Commissioner Mike Riney stated, "Will the waterline project program be the same participatory type program that we had in the past where all three parties contribute financially?"

Judge Mattingly stated, "It will be to the degree that we can get those agreements in place. Some water districts may or may not participate, and some residents cannot financially participate. We will look at each project individually."

Commissioner Lambert stated, "This last project we did, I think there were 10 homeowners, and we are getting down now where the remaining projects are few and far between so there are less homes and there will be more of an expense to residents. Generally, these are going to be more remote homes than the ones we have done in the past. We have done the larger ones, the easier ones, and now these are the very remote ones, and it would be more of an expense to do them."

Mr. Riney explained that he is very supportive of the program, but feels it important that the court require residents to put up some funds, otherwise it would be unfair to those who have paid their share for a waterline project."

Judge Mattingly stated, "I think there is an agreement regarding that. The problem that you run into would be that there will be some who won't, and they will say that their well is perfectly fine. Still, we cannot allow one or two to stop the many from having that benefit, but at some point, they will not be able to find a driller to drill a new well or during a long drought, they will lose supply. When they tap onto the line, they will pay their fair share."

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Wathen, seconded by Commissioner Castlen, the court considered approval to Award Bid No. 16-2012 for two new 2012 or 2013 model open-top walking floor trailer for the Daviess County Transfer Station to Banner Truck and Trailer for \$57,900 each.

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Lambert, seconded by Commissioner Castlen, the court considered approval of the Resignation of Andrew P. Wedding, Park's Ground Maintenance, effective 9/4/12.

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Wathen, seconded by Commissioner Castlen, the court considered approval to Hire James Lambert as a seasonal Grounds Maintenance employee at Horse Fork Creek Park effective 8/29/12.

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor except Commissioner Lambert as he abstained; motion passed.

By a motion of Commissioner Lambert, seconded by Commissioner Castlen, the court considered approval to Hire Thomas Kevin O'Hearn as a full-time Grounds Maintenance employee in the Parks Department effective 9/10/12.

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

By a motion of Commissioner Lambert, seconded by Commissioner Castlen, the court considered approval to Advertise for a Service Technician in the Department of Public Works.

Without further discussion, Judge/Executive Mattingly called for a vote on the motion. All members of the court voted in favor; motion passed.

Judge/Executive Mattingly read in summary the **First Reading of KOC 150.13** - An Ordinance Relating to the Appointments to the Owensboro-Daviess County Convention and Visitors Bureau, formerly named the Owensboro-Daviess County Tourist Commission.

Judge Mattingly stated, "Commissioners, as you recall, back during the state of the county address, I proposed bringing the city into partnership in the Owensboro-Daviess County Tourist Commission. It was already named "Owensboro-Daviess County" but the city did not have any appointments to that commission. In talking with county commissioners, and in talking with the Mayor of Owensboro, we decided that the easiest way to do this was to take one of the two at-large appointments and give that appointment to the mayor or the City of Owensboro. Currently, there are seven board members, three of those are designated by state law to come from the hotel/motel association. One comes from the restaurant association. One comes from the Chamber. Then there are two at-large appointments. We felt that would be the best way."

Comments:

Karen Miller updated the public on current events.

Commissioner Wathen announced that even though animal intake has increased due to us taking in McLean County's animals, euthanasia rates are down 6%.

Judge Mattingly announced that the Owensboro Human Relations Commission will celebrate their 40th anniversary this year.

Judge Mattingly thanked the Mount Saint Joseph Conference and Retreat Center for hosting today's meeting.

**Without objection, Judge/Executive Mattingly adjourned the meeting.
SO ORDERED THAT COURT STAND ADJOURNED.**

Al Mattingly
Daviness County Judge/Executive